

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SJR 879

March 5, 2020

SUMMARY OF BILL: Encourages the Commissioner of Finance and Administration to include in the application for TennCare II waiver renewal provisions that require the Division of TennCare (Division) to make eligible for consumer direction and reimbursement qualifying home- and community-based services (HCBS) received from non-contracted providers when:

- The services are provided by a State-licensed program or provider;
- The services are provided in the most integrated setting appropriate to the individual's needs;
- The services are comparable to those included in the HCBS CHOICES program;
- The services align with the person-centered individualized support plan; and
- The services do not exceed annual cost limits assigned to a CHOICES benefit group.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$7,194,800/FY20-21 and Subsequent Years

Increase Federal Expenditures - \$13,890,700/FY20-21 and Subsequent Years

Assumptions:

- The current budget for Employment and Community First CHOICES, authorized by the General Assembly, is based on the projected annual average amount of services persons in the program are expected to receive.
- Providing additional services up to each individual's spending cap will result in a significant increase in expenditures.
- Based on information provided by the Division of TennCare, as of February 2020, using enrollment figures, the difference between the budgeted cost of HCBS in Employment and Community First CHOICES (the amount appropriated) and the amount available under each person's expenditure cap is \$21,085,437.
- Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds. Of this amount \$7,194,773 (\$21,085,437 x 34.122%) will be in state funds and \$13,890,664 (\$21,085,437 x 65.878%) will be in federal funds.

IMPACT TO COMMERCE:

Increase Business Revenue - \$21,085,400/FY20-21 and Subsequent Years

Increase Business Expenditures –

Less than \$21,085,400/FY20-21 and Subsequent Years

Assumptions:

- Individuals who provide healthcare services will experience an increase in business revenue for providing services estimated to be \$21,085,437.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenues collected. Therefore, the increase in business expenditures is estimated to be less than \$21,085,437.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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